

State of Hawai‘i
Department of Human Services
Benefit, Employment and Support Services Division
Employment and Training Program Office

Addendum No. 1

January 26, 2010

To

Request for Proposals

HMS-903-10-02-S

**Statewide Case Management,
Employment and Support Services for
Two-Parent and Non-Citizen TANF
Households through the First-To-Work
Program**

January 6, 2010

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**REQUEST FOR PROPOSALS
Statewide Case Management,
Employment and Support Services for
Two-Parent and Non-Citizen TANF
Households through the First-To-Work
Program
HMS-903-10-02-S
January 6, 2010**

The Department of Human Services, Benefit, Employment and Support Services Division, Employment and Training Program Office is issuing this addendum to HMS-903-10-02-S, "Statewide Case Management, Employment and Support Services for Two-Parent and Non-Citizen TANF Households through the First-To-Work Program," for the purposes of:

- ☒ Responding to questions that arose at the orientation meeting of January 13, 2010 and written questions subsequently submitted in accordance with Section 1-V, of the RFP.
- ☒ Amending the RFP.
- ☐ Final Revised Proposals

The proposal submittal deadline:

- ☒ is amended to **Thursday, February 4, 2010**---Hand-delivered (including courier mail) proposals shall be submitted no later than 4:30 PM to the DHS/BESSD/Employment and Training Office, at 820 Mililani Street, Suite 606, Haseko Center, Honolulu, Hawaii 96813 and all mail-ins shall be post-marked before 12:00 AM Midnight.
- ☐ is not amended.
- ☐ for Final Revised Proposals is <date>.

Attached is (are):

- ☒ A summary of the questions raised and responses for purposes of clarification of the RFP requirements.

- ☒ Amendments to the RFP.
- ☐ Details of the request for final revised proposals.

If you have any questions, contact:

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Responses to Question Raised by Applicants
For HMS-903-10-02-S, “Statewide Case Management, Employment and Support
Services for Two-Parent and Non-Citizen TANF Households through the First-To-Work
Program”

- 1. If our organization does not have any company vehicles, will we still be required to meet the liability insurance requirement for automobile insurance?**

Automobile liability insurance is for automobiles owned or leased by the organization and/or privately-owned vehicles that are used to carry out services as described in the RFP. If an organization does not own company vehicles, then the organization must maintain hired & non-owned automobile liability insurance. The insurance coverage should cover, at minimum, automobile contractual liability, uninsured and underinsured motorist coverage, and basic no-fault and personal injury protection as required by Hawai‘i law.

- 2. Are the services being procured in this RFP currently contracted?**

The services are currently contracted to two providers.

- 3. Is there still a contract with Pacific Gateway for interpreter services?**

The Department of Human Services/Benefit, Employment and Support Services Division does not have a contract with Pacific Gateway to provide interpreter services for the work program.

- 4. Are the existing services currently meeting the federal work participation requirements?**

Hawai‘i met the Federal work participation requirements for Federal Fiscal Year (FFY) 2007. The Federal government has not released any findings for FFY 2008 or FFY 2009.

- 5. In regards to the Region I and Region II set up, will the awarded vendors be required to have multiple locations in each region? For instance, will the awardee for Region I with Maui County be required to have offices available on Moloka‘i and Lana‘i? Will multiple offices be required on O‘ahu if the awardee is servicing two different parts of the island? Can there instead be a central location that will service multiple areas on the same island? And will this central location (e.g Kona on West Hawai‘i) suffice if services are provided periodically at a remote site (e.g. Ka‘u on West Hawai‘i)?**

The Department will consider what were proposed by the awarded vendors. However, it may be negotiated further prior to the execution of the contracts if what were proposed do not meet the service needs described in the RFP.

6. What is the average length of time that an individual will be participating with the program?

The duration of an individual's participation with the work program can vary from individual to individual. Participation is limited to an individual's receipt of TANF benefits.

7. The current number of TANF recipients per region is based on the number of TANF recipients per island. Has there been an increase lately?

There has been an increase in the number of TANF recipients. The caseload numbers provided in the RFP are as of July 2009.

8. Are there any restrictions on travel and staff training, especially for services for Moloka'i and Lana'i?

Travel is an allowed expense according to cost principles for purchases of health and human services and must be included in the proposed budget submitted with the proposal.

Information on cost principles is available on the State Procurement Office (SPO) website at http://www4.hawaii.gov/spoh/Forms_Instructions/costprinciples.PDF.

9. Are payments for Performance-Based Payment Rate 1 a one-time payment or are they claimed on a monthly basis?

Payments are made for an unduplicated participant for Performance-Based Payment Rate 1 on a monthly basis. For instance, if a participant met program participation requirements for Month #1, the participant may be claimed for Month #1. If the participant met the requirements again for Month #2, the participant may be claimed for Month #2 and any subsequent months the participant was receiving TANF benefits and successfully met the work program participation requirements.

10. How are payments made to the vendor? Is there direct deposit for payments? Is there an advancement of funds for start-up costs?

Invoices to claim payments are submitted once a month for either cost reimbursement, performance-based payments, or a combination of the two. Form templates to claim payments will be provided with the executed contracts. Direct deposits for payments are not available. There are no provisions for cash advances to cover start-up costs.

11. What is the transition period? How are costs covered during the transition period?

If provider(s) is not able to begin services effective the contract start date, provider(s) may be granted a transition period of up to three (3) months immediately following the contract start date to ramp-up and establish their operation in order to begin services. Provider(s) may claim reimbursement, approved by the Department, for incurred costs necessary to establish their operations during this period (e.g. personnel, lease, travel expenses to attend training, equipment, supplies, etc.).

12. Is it possible for an organization to be awarded a contract to service only one island or certain geographic locations? Can an organization apply for certain geographic locations as oppose to statewide?

An organization will be awarded a contract to service the geographic areas for Region I or Region II as noted in the RFP.

13. Do we write the proposal based on statewide services and based on what budget amount?

The Department is requesting proposals from qualified applicants to provide services statewide as described in the RFP. Applicants are recommended to submit two (2) budgets, one for Region I and one for Region II.

14. The RFP states that most participants will be transferred from the FTW UFUE Program. Are the 8-month pregnant women and DV-status individuals also be coming from the FTW UFUE Program?

Work eligible individuals, from two-parent and non-citizen households, who are in their 8th or 9th month of pregnancy and individuals who are claiming DV-status will be referred to the providers for services as described in the RFP.

15. What is the minimum number of participants to be serviced under each geographic location?

There is no minimum number of participants to be serviced because the number of participants varies. The number of participants is dependent on the number of households that apply and receive TANF benefits within each geographic location.

16. Do we complete the intakes, assessments and employability planning again for participants transferred from the FTW UFUE Program?

The assessment and employability planning process *may* be repeated for a transferred participant if the participant's situation changes during his/her involvement with the FTW Program.

17. Is the monitoring done through HANA? Will the provider be required to maintain hard-copies on file?

At a minimum, providers' performances will be monitored in accordance with the Hawai'i Work Verification Plan requirements, in addition to reports submitted by the providers, HANA system reports, and programmatic audits.

Providers will be required to maintain case files for each participant in accordance with FTW Program policies and operational procedures which the providers will receive extensive training from the Department.

18. How are the cost reimbursement and performance-based rates implemented?

Providers may claim payments as cost reimbursement, performance-based, or both. Providers may claim reimbursement for one-hundred percent (100%) of incurred expenses for any report month; however total cost-reimbursements claimed cannot exceed the maximum percentage of the contract budget as indicated on pages 2-15 and 2-16 in the RFP. Performance-Based Rates may be claimed for any report month as long as the providers maintain an overall work participation rate of fifty-percent (50%). The total cost-reimbursements and Performance-Based Payments claimed within a contract period shall not exceed the total contract budget.

19. Do we submit a proposed budget for a 12-month period? What about budgets for the contract extensions?

Applicants must submit a proposed budget for statewide services by regions for the initial contract period of fifteen (15) months from April 1, 2010 to June 30, 2011. Proposed budgets for contract extensions will be requested when the Department determines that the contracts need to be extended.

20. The RFP indicates 1,700 households to be serviced in Region I. How many participants are actually referred monthly? Are the numbers going up? How many people are going off of TANF each month due to defaults, sanctions, loss of eligibility, etc.?

Combined number of transfers and referrals of new applicants varies. The numbers provided in the RFP were based on the total number of ongoing TANF recipient households for the target population served as of July 2009.

For the target population served, there was an average of 75 participation transfers from FTW UFUE statewide per month and an average of 158 participation closures statewide per month for 2009.

- 21. RFP states Region 1 = 1,700 and Region 2 = 1,181. Is this the number of clients we will be serving and whatever UFUE and DHS (pregnant 8 & 9 months and DV) refers?**

Please see response for Question #21 above.

- 22. Do you have a better estimate of how many clients are referred a month, how many remain (from the 1700) and how many leave the program (for all the reasons the RFP mentioned) a month?**

Total client referrals will vary from month to month. The same is true for the number of clients that leave the program for all reasons mentioned in the RFP. As to the number of participants remaining from the total caseload provided for Region I, these numbers are as of July 2009 so specific data is not available at this time.

- 23. Do we have to budget for travel? I didn't see anything in the RFP.**

Please see response to Question #8 above.

- 24. Do we have to budget for HANA system? How much?**

HANA is the system established and fully funded by the Department to record assessments, planned activities, reported activity hours, and other case management actions related to the participation of First-To-Work participants.

- 25. Is there existing infrastructure we would be able to use (e.g. office space, telephones, furniture, computers, etc.)? If yes for office space, how many sites and where are they located?**

There are no existing infrastructures available. Applicants awarded the contracts will be required to secure their own facilities.

- 26. Do you know how many or what percentage of the clients need interpreters?**

There was an average of 51 encounters statewide each month with limited English proficiency individuals reported by the First-To-Work units that serviced the target population described in the RFP.

- 27. Questions about 'unduplicated clients'—Example, Month #1, participant satisfactorily met all participation requirements and Month #2, participant**

again satisfactorily met all participation requirements. Is the participant considered a duplicate in Month #2?

Please see response to Question #9 above.

- 28. Who has current regions for UFUE? Which region does each provider service?**

Goodwill Industries of Hawaii, Inc. services UFUE Region I which includes Oahu, from Hawaii Kai to Makakilo, Maui County (including Molokai), and East Hawaii (Hilo).

Arbor E&T, LLC services UFUE Region II which includes Oahu, from Waipahu to Waimanalo, Kauai County, and West Hawaii (Kona).

- 29. Do you have the statistics on how many people are staying in the program, completing their EDP and closing out their cases, how many are being sanctioned, how many from UFUE are working eligible activities, and how many need EDP component?**

Please see responses to Questions #21 and #22 above.

- 30. Page 2-1 of the RFP states in part, “TANF applicants will be referred to the FTW Upfront Universal Engagement (UFUE) Program for the initial services they receive as applicants and as recipients. Thus, most individuals to be served by the PROVIDERS selected through this RFP will be transferred from the FTW UFUE Program as TANF recipients, and all such recipients should be participating in approved work activities in accordance to their individual Employability Plans.”**

- a. Can the Department please confirm whether the following statement is true or false?**

“Any UFUE participant engaged in subsidized or unsubsidized employment for any number of hours shall continue to be serviced in the UFUE Program.”

The above statement is true.

- b. If the above statement is true, can the Department please confirm that any individual transferred from the UFUE Program will not be engaged in subsidized or unsubsidized employment, meaning that they have additional employment barriers and will likely be classified as more difficult-to-service participants?**

Individuals transferred from the UFUE Program are not necessarily difficult-to-service participants. They may successfully meet work program requirements with other countable activities in accordance with the Hawai'i Work Verification Plan or may be in between employments.

31. Please clarify how a budget(s) for the proposed services should be submitted?

- a. Should applicants submit a single budget for the initial (15) fifteen months of statewide services for both Region I and II for a total funding award of \$3,749,999?**
- b. Should applicants submit two separate budgets for the initial (15) fifteen months of statewide services for funding awards for Region I (\$2,199,087) and Region II (\$1,550,912)?**

Applicants must submit two (2) separate budgets, one for each Region, for the initial contract period of fifteen (15) months from April 1, 2010 to June 30, 2011.

32. Will the contracts executed by the Department with each provider contain identical terms and conditions, including identical scope of services sections?

The contracts executed will contain identical terms and conditions, including scope of services with exception to the geographic locations for each provider to service under Region I or Region II.

33. Will the contracts executed by the Department with each provider contain identical terms and conditions in the Compensation and Payment Schedule, with the exception of the total amount the Department agrees to pay each provider service "Region I" or "Region II"?

The executed contracts will contain identical terms and conditions in the Compensation and Payment Schedule, with the exception of the total amount awarded to each provider to service Region I or Region II.

34. Page 2-6 of the RFP states in part, "An 'active' participant is defined as a FTW participant in any given month whose household has been approved for TANF benefits, excluding participants who have been referred for sanction prior to the report month but whose sanction has not yet been imposed by the Department."

- a. Can the Department please explain whether participants who have been referred for sanction during a report month but whose sanction has not yet been imposed by the Department, will also be excluded from the list of active participants?**

Participants, who have been referred for sanction during a report month, will be included in the active participant caseload for that month.

- b. **If not, please explain why these participants are considered active, if the provider has acted quickly pursuant to Department rules to refer for sanctions?**

Participants are considered active because they received TANF benefits for the report month prior to the referral for sanction. When a referral for sanction is made, the participant will be excluded from any subsequent report months until the sanction has been imposed.

35. **Please explain in detail if and when both members of a two-parent household will be required to actively participate in the program?**

At this time, the program is only servicing one of the two-parent household members. The Department will provide timely notice to the providers when both members of a two-parent household will be required to actively participate in the program. The RFP states on page 2-2 the time frame for notification should there be change in the target population that the contract is servicing.

36. **Page 2-9 of the RFP states in part that, “The PROVIDERS shall offer language assistance to individuals with limited English proficiency at no cost to the individual . . . The PROVIDERS shall be responsible for the cost of the interpreters.”**

- a. **It is evident that providers have absolutely no control over whether participants will require translation services or not. Please explain how this structure is fair and equitable to potential providers who may not be reimbursed fully for translation expenses as 100% cost reimbursement expenses?**

As stated on page 2-15 of the RFP, the providers may claim reimbursement for incurred costs up to 65% of the *total contract budget*. Providers may receive reimbursement for 100% of the incurred costs for translation services as long as the contract expenses combined do not exceed the 65% of the *total contract budget*.

- b. **Will the Department consider directly reimbursing providers 100% for the necessary costs of interpreters at all points during the contract period, meaning that these costs will be always separately billed to the Department as 100% fully cost reimbursement.**

The Department acknowledges the above statement and will take it into consideration.

- 37. With respect to Performance-Based Payment Rate 2, will providers be given appropriate access to the Department's computer systems and application data to accurately determine if a participant "has remained off TANF" for a minimum of two (2) calendar months? If not, how will the Department track this information and make it available to providers?**

Providers will be able to obtain the necessary information through HANA for participants that exited TANF.

- 38. Page 2-12 of the RFP, output and performance/outcome measurements states that providers must meet the "50% overall work participation rate" for FTW participants.**

- a. Please explain why Performance-Based Payment Rate 3 contains "\$0 if the overall work participation rate is between 50% and 59 ..." How is this equitable to potential providers who surpass the minimum requirement?**

The Department seeks to reward providers that exceed the minimum overall work participation rate of fifty-percent (50%). Zero dollars are awarded when the overall participation rate is within the fiftieth percentile.

- b. The Department is urged to reconsider and revise Performance-Based Payment Rate 3 as follows:**

- **\$5,000 if the overall work participation rate is 51% to 59% for the report month;**
- **\$6,000 if the overall work participation rate is 60% to 59% for the report month;**
- **\$8,000 if the overall work participation rate is 70% to 79% for the report month;**
- **\$10,000 if the overall work participation rate is 80% to 89% for the report month; or**
- **\$15,000 if the overall work participation rate is greater than 90% for the report month.**

The Department acknowledges the above statement and will make a note of your suggestion.

- 39. Please explain the rationale for tying the Performance-Based Payments to the overall work participation rate, if a only 50% rate is required by the contract?**

As stated on page 2-6 of the RFP, the overall participation rate is set at fifty-percent (50%) which is the minimum requirement in accordance with the overall participation rate standard imposed by the Federal government under the Deficit

Reduction Act of 2005 (DRA). The Department seeks to reward providers that exceed the minimum overall work participation rate of fifty-percent (50%).

- 40. As noted above, this program involves more difficult-to-service-participants, such as participants who are homeless, have serious mental or other health issues, have been arrested on serious criminal charges, have no or very poor English language skills, or a documented history of alcohol and/or substance abuse. In addition, Hawaii is facing a dire economic employment climate in 2010. Therefore, the Department is urged to reconsider and revise Performance-Based Payment Rate 2 as follows, “\$4,000 if the overall work participation rate is 50% or above for the report month.”**

The Department acknowledges the above statement and will make a note of your suggestion.

- 41. How will providers be compensated if a participant transfers between “Region I” and “Region II” while participating in the program?**

- a. Which provider will be eligible to claim Performance-Based Payments under the payment structure if a transfer occurs during program participation?**

Both providers will be eligible to claim Performance-Based Payments for an active participant that was transferred between providers for report month.

- b. After transfer between “Region I” and “Region II”, which provider will be required to continue to provide the participant with program services, including employment placement, employment skills development, case management, job coaching and job retention services?**

The above question is not applicable to the services described in the RFP.

- 42. What verifications will each provider be required to submit to document each of the proposed Performance-Based Payments in this RFP?**

Performance-based payments will be validated in accordance to the Hawai‘i Work Verification Plan, utilizing reports submitted by the providers, through the HANA system, and programmatic audits.

- 43. Who will be responsible for calculating the “participation rate” as used in this RFP? The Department? Each provider? Please explain in detail how this will be calculated.**

The Department will provide the providers with a standard template which each provider will be required to submit on a monthly basis for program reporting requirements. The template will be formatted to automatically calculate each provider's participation rate based on the criteria described in the RFP and in accordance to Hawai'i Work Verification Plan.

- 44. Page 2-5 of the RFP states that the Department expects the initial period of service to commence on the contract start date, however, the Department may allow a transition period of up to three (3) months from the contract start date if the selected PROVIDER(S) is unable to begin services on the contract start date. Page 2-15 of the RFP further states that providers will be allowed to only claim reimbursements for necessary costs to establish themselves during the transition period.**

- a. The Performance-Based Payments system outlined in this RFP is new and untested by the Department. In order to give providers ample time to establish services, and for the adequacy and fairness of potential performance-based payments to be thoroughly analyzed, the Department is urged to allow a transition period of up to six (6) months from the contract start date before any such payments are eligible to be paid.**

The Department acknowledges the above statement and will make a note of your suggestion.

- 45. Do you wish to have one proposal with separate budgets for each region, or do you wish separate proposals and budgets for each region?**

Applicants should submit one proposal for statewide services with two (2) separate proposed budgets, one for each Region, for the initial contract period of fifteen (15) months from April 1, 2010 to June 30, 2011.

- 46. If transportation is arranged by the case managers for clients and no transporting of clients is offered, do you still want to see auto coverage?**

Please see response to Question #1 above.

- 47. With regard to transition, what is allowed during transition, i.e. location of offices, training, setting up of telephone lines, securing equipment, etc.) or is it expected winning applicant will begin service to clients within 30 days of award? How long is transition?**

Please see response to Question #11 above.

- 48. It is listed that providers shall establish and maintain direct service location or site in each geographic location as specified in Section 2, Item I.E.,**

“Geographic Coverage of Services”. With regard to Region I, are you requesting that offices be established in Molokai and Lanai, or if services are offered on an as need basis in an arranged facility; an office on the Windward side of Oahu as well as central Oahu, outlying areas of Hilo? With Region II are you wanting offices between Laupahoehoe and Honoka`a, as well as Kau or Kohale or will Kona be adequate if services are providing to the outlying areas on a weekly basis through arrangements with other facilities?

Please see response to Question #5 above.

- 49. Interpreter services are required and several languages have been listed. Does this represent the current needs?**

The interpreter service needs are not limited to the languages listed in the RFP. Interpreter services may be required for other languages and may vary month to month.

HMS-903-10-02-S, “Statewide Case Management, Employment and Support Services for Two-Parent and Non-Citizen TANF Households through the First-To-Work Program” is amended as follows:

Subsection Page

Section 1, Administrative Overview

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| I. | 1-1 | Procurement Timetable is amended to change the schedule date of the State Purchasing Agency’s Responses To Applicants’ Written Questions from 01/25/2010 to 01/26/2010. |
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Procurement Timetable is also amended to change the Proposal Submittal Deadline from 02/03/2010 to 02/04/2010.

Section 2, Service Specifications

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|----------|------|---|
| I. E. | 2-3 | The Maui geographic location is amended to exclude the island of Lana‘i only. |
| IV.C.3. | 2-18 | The first bullet-item is amended to read, “\$0 if the overall work participation rate is between 50% and 59%; or”. |
| IV. C.3. | 2-19 | The last bullet-item is amended to read, “\$6,000 if the overall work participation rate is equal to or greater than 90% for the report month.” |